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2 APR 1980

MEMORANDUM FOR: Deputy Director for Administration

FROM: James H. McDonald
Director of Logistics

SUBJECT: Status of Agency Furniture Stocks

1. Purpose: This memorandum is to advise you of the impact a prolonged General Services Administration (GSA) furniture moratorium will have on the Agency and what action we have initiated in response to this moratorium.

2. Background: Earlier memoranda have advised you of the furniture moratorium imposed by GSA as a result of their findings that various Government agencies have several million dollars' worth of furniture sitting unused in their warehouses. The intent of this moratorium is to ensure that surplus stocks are utilized before any new acquisitions are made. The control of stocks will be taken over by GSA and shifted within agencies to satisfy needs.

3. Action Taken: A Headquarters Notice explaining the terms of the moratorium to our employees is currently being published. We are also preparing a letter to GSA requesting an exemption from the moratorium on the grounds that the reports required would reveal Agency size and location and would be unacceptable for security reasons. Despite GSA's response, we intend to abide by the intent of the moratorium and not honor requests for new stocks until existing Government stocks are depleted.

A physical inventory of all stocks of furniture in our depot has been completed. This inventory was conducted not only so that we would be able to negotiate with GSA concerning any surplus, but equally important to determine if we have sufficient quantities on hand to satisfy the forthcoming moves of various Agency components when we occupy the new [] building. The analysis of the inventory to determine any surplus should be completed shortly; however, we have ascertained there is sufficient inventory in Logistics Services / Division's stocks and in areas to be vacated to

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meet requirements. It is estimated that initially 600 work stations will be needed in the new building as follows:

Metal	- 450 Work Stations
	360 Professional
	90 Clerical
Wooden Furniture	- 150 Work Stations
	90 Professional
	60 Clerical

Once the requirements for [] have been satisfied, furniture vacated in Headquarters and [] will be rehabilitated and used as replacement for our in-use stocks. While such moves usually provide an opportunity to upgrade office/conference furniture, self-discipline must be enforced to ensure cooperation from all involved to utilize existing stocks.

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4. Other Potential Impacts:

a. Availability of Executive Furnishings: Generally, the Agency stocks three types of furniture. Utilized wooden furniture is available for GS-15's and above; traditional wood may be issued to the suites of senior executives; and metal furniture is available for all other individuals. Generally, this policy has been adhered to although, for various reasons, occurring over the years there are areas where individuals have furniture not authorized by their grades. An extended moratorium on the acquisition of furniture may require a modification to these policies, depending upon the availability of existing stock.

b. Repair Program: The Agency has a very active repair program for its furniture. During fiscal year 1979 we allocated approximately \$100,000 for a contract to electrostatically paint metal furniture in place and an additional \$25,000 for the repair and reupholstery of chairs. [] anticipates spending approximately \$27,000 this year for repairing wooden furniture at Lorton Reformatory and \$18,000 for the repair of metal furniture at the Pruitt Manufacturing Company. An extended moratorium would force these costs to probably double during the coming fiscal year.

c. Furniture Accountability: For years it has been the Agency's policy to drop from accountability any

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item under \$300. In addition, because it is felt that sufficient safeguards are built into the system, furniture has been dropped from inventory control. As such, we do not know our precise in-use levels. We do know we have sufficient stocks of standard furniture to meet projected needs. With controls and self-discipline, we can manage furniture stocks with current levels through fiscal year 1981 for the Washington metropolitan area.

5. Future Actions: We will continue to analyze our inventory to identify any surplus that may be returned to GSA. Further action will be dependent upon GSA's response to our request for an exemption. We will keep you informed of any new developments.

/s/ James H. McDonald

James H. McDonald

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